ISSN 0835-7781

2010/2011 ANNUAL REPORT

UPPER CANADA VILLAGE
FORT HENRY
PARKS OF THE ST. LAWRENCE
UPPER CANADA GOLF COURSE
CRYSLER PARK MARINA

Parks of the St. Lawrence

THE ST. LAWRENCE PARKS COMMISSION

AN AGENCY OF THE GOVERNMENT OF ONTARIO

INVESTING IN OUR FUTURE

Message from the Chair of the St. Lawrence Parks Commission and the General Manager and CEO

We are pleased to report that the St. Lawrence Parks Commission (SLPC) achieved its goal of a balanced budget for the fiscal year ended March 31, 2011. By reacting early to sluggish 2010 market condition, and by turning our visitor attraction focus towards new programming and events, SLPC ended the year with a balanced budget.

The 2010/11 season represented the start of some of the largest capital investments in SLPC's history. In April, through the joint Federal/Provincial Infrastructure Stimulus Fund program, SLPC received $7.1M for the rehabilitation of the roadway and bridge structures on the Long Sault Parkway. This project represented the single largest infrastructure maintenance project on the SLPC list of outstanding Capital projects. Underway in late August, this project was substantially complete by the March 31 deadline. These improvements will vastly improve the recreational experience for the thousands of campers, recreational cyclists and residents who use the Parkway each year.

SLPC also made significant progress on the planning required for the two Discovery Centre projects at Upper Canada Village and Fort Henry. Several community consultations were held with tourism partners, heritage and business communities and local historical societies. Through these stakeholder sessions, we obtained valuable feedback on both the themes and messaging for the exhibits in the Discovery Centres as well as on architectural concepts. SLPC staff has been actively engaged with Parks Canada staff working to determine the best site location for the Fort Henry Discovery Centre. Arriving at a decision required taking into consideration the terms of the UNESCO World Heritage Site designation and the overall historical and physical integrity of the site itself. Additionally, a Heritage Impact Assessment was completed in cooperation with Parks Canada.

Investments in visitor services and infrastructure including the conversion of 37 campsites to RV service sites at Ivy Lea Campground resulted in revenue growth of over $60K through the increased activity and yield on this site type. Activity on this site type grew over 75% in 2010 compared to 2009. RV sites continue to perform at the highest yield per site of all campsite types. At Crysler Park Marina, the addition of more docks increased the available capacity, resulting in dockage revenue growth of 24% ($57.8K) over 2009.

SLPC was pleased to host the Minister of Tourism and Culture, the Honourable Michael Chan at Upper Canada Village in August 2010. The Minister participated in the inauguration and naming ceremony of the new miniature train, "The Mocassin", and in the ground-breaking ceremony for the Upper Canada Village Discovery Centre. This Discovery Centre, scheduled to be complete in the summer of 2011, will help visitors learn more about the Battle of Crysler's Farm and the St. Lawrence Seaway & Power Project. Visitors will discover the important role of the Project in the development of Upper Canada Village as well as the vital part the St. Lawrence River played in the early settlement of Canada. This new experience will enhance the visitor experience, giving visitors a new reason to visit Upper Canada Village and positively impacting SLPC visitation levels.

Darren Dalgleish

Ron Eamer

In August, Parks Canada and SLPC signed a Memorandum of Agreement (MOA) for Fort Henry, whereby Parks Canada agreed to invest $19.5M and the SLPC $2.8M from 2010/11 through 2016/17. Parks Canada's funding will focus on masonry rehabilitation while SLPC's commitment will focus on wood frame construction, carpentry and metal work repair. These important investments are vital for the ongoing maintenance and restoration of Fort Henry.

Special events are important drivers of visitation at SLPC sites, and in 2010 SLPC heightened its focus on investing in and developing events. New events successfully introduced during the 2010 season included Horse Lovers' weekend, Wood Lovers' weekend and the Heritage Festival at Upper Canada Village. Combined, these events drove over 11,400 visitors to the site and generated approximately $225K in revenue. Our mainstay events also

performed well although some were impacted by the weather. The third annual Fort Fright with its 'Carnival Abnormal' theme and new program additions saw visitation increases of 11% over 2009/10. Finally, the 10th annual Alight at Night winter light festival achieved record breaking attendance increases of 12%, revenue growth of 25% and retail sales up by 11%.

Celebrate Ontario event funding has played a key role in supporting SLPC's efforts to build its events. In March 2011, five of our Celebrate Ontario applications were approved. Funding will support the following events in our 2011 season:

- Alight at Night ($75K)
- Medieval Festival ($40K)
- Heritage Carnival ($40K)
- Fort Fright ($75K)
- The new Victorian Holiday Festival at Fort Henry ($40K)

New initiatives first introduced in 2009 also showed significant growth as they hit their stride in 2010. Following a test year at Fort Henry in 2009, a new parking fee was introduced at Upper Canada Village in 2010 that generated $100,000 in new revenue. Other new initiatives and the approximate new revenues generated included:

- Marker 72 Dockside Patio generated revenue of $35.2K in 2010 vs. $11.2K in 2009.
- Cook's Tavern generated $32.3K in revenue in 2010 compared to $4.5K in 2009.

SLPC was successful in attracting new capital investment and in securing $270K in Celebrate Ontario funding. As operating costs continue to grow, this requires SLPC to increase revenues at an aggressive pace, contain spending, and explore new revenue generating opportunities. Challenges include a general shortage in discretionary dollars to spend, a reduced transfer payment, and a generally sluggish economy.

We would like to recognize our board, management team and staff for their continued dedication to delivering a quality product and outstanding visitor experience to the thousands of guests who visit SLPC's attractions each year. We would also like to thank the Ministry of Tourism & Culture staff for their ongoing support throughout this past year.

Most sincerely,

Ron Eamer
Acting Chair

Darren Dalgleish
General Manager and CEO

SLPC BOARD OF COMMISSIONERS

Peter Watson
(Gananoque)
Chairman
Original appointment September 17, 2004
Term expired September 5, 2010

Ron Eamer
(Williamstown)
Vice-Chairman
Original appointment April 6, 2005
Term expired September 5, 2010
Acting Chair
Appointment September 6, 2010
Term expires September 5, 2011

Richard Fawthrop
(Cornwall)
Commissioner
Original appointment June 6, 2007
Term expires June 5, 2012

Norman Gaylord
(Cardinal)
Commissioner
Original appointment May 30, 2007
Term expired May 29, 2010

Ineke Garofalo
(Kingston)
Commissioner
Original appointment June 20, 2007
Term expired June 19, 2010

J. R. (Jack) McIntosh
(Winchester)
Commissioner
Original appointment August 8, 2005
Term expires August 7, 2011

Brian Reid
(Kingston)
Commissioner
Original appointment January 13, 2010
Term expires January 12, 2013

Jeannette Shirley
(Morrisburg)
Commissioner
Original appointment July 15, 2005
Term expired July 14, 2010

Lloyd Therien
(Kingston)
Commissioner
Original appointment May 30, 2007
Term expired May 29, 2010

Isabel Turner
(Kingston)
Commissioner
Original appointment May 30, 2006
Term expires July 14, 2012

Linda Wilson
(Cornwall)
Commissioner
Original appointment June 20, 2007
Term expired June 19, 2010

2010/11 SENIOR MANAGEMENT TEAM

Patricia Macdonald	General Manager & CEO (April – October 2010)
Tim Casey	Acting General Manager & CEO (October 2010 – April 2011)
Darren Dalgleish	General Manager & CEO (April 2011)
Bonnie VanMoorsel	Executive Assistant, Manager, Upper Canada Golf Course
Ron Betournay	Director, Finance & Administration
Bryan Mercer	Director, Marketing
Faye Baker	Manager, Financial Services
Gerben Schaillee	Manager, Maintenance and Operations
Barry Hughes	Manager, Parks and Recreation (retired May 31, 2011)
Jennifer Tarini	Acting Manager, Parks & Recreation (February – May 29, 2011)
Mary Beach	Director of Attractions & Visitor Experience
Dave Dobbie	Manager, Upper Canada Village

OUR MANDATE

The St. Lawrence Parks Commission is an operational enterprise of the Government of Ontario. Its mandate is to provide tourism, cultural, educational and recreational opportunities for residents of Ontario and visitors to the province through the presentation and interpretation of historic attractions and the development and operation of parks, campgrounds, scenic parkways and recreational areas.

OUR MISSION

The purpose of the St. Lawrence Parks Commission is to generate lasting visitor growth, drive economic prosperity, and build community partnerships in Eastern Ontario.

It is a revenue-generating tourism business offering customer-focused entertaining and educational experiences that maximize its natural, leisure and heritage assets.

LEGISLATIVE AUTHORITY

The St. Lawrence Parks Commission operates under the authority of the St. Lawrence Parks Commission Act. The Commission reports to the provincial government through the Minister of Tourism and Culture. The Board of Commissioners is responsible for overseeing the business affairs of the Commission by making policy decisions and setting strategic directions; establishing land use regulations; approving budget priorities; translating government policy into agency policy; ensuring wise use of public assets, and representing the Commission within the community.

The Commission supports its operations through:

- Fees charged at its attractions and retail outlets and revenue generated via concessionaires;
- A transfer payment from the Province of Ontario government, and
- Land-use lease agreements, donations, sponsorships and partnership advertising funds in support of its facilities and programming.

BUSINESS OBJECTIVES DURING THE REPORTING PERIOD – 2010/11

- Leverage organizational and programming changes while developing new net revenue-producing initiatives to achieve long-term financial stability. Manage operating units as revenue-generating, break-even or subsidized.
- Increase focus on those initiatives that can make a meaningful contribution to financial sustainability, visitor growth, customer satisfaction and/or good stewardship. Re-examine and/or eliminate extraneous or lower priority activity.
- Continue to create and deliver new visitor experiences utilizing learning from customer feedback and recommendations from a 2008 Operational Review of the Commission's business operations. Furthermore, the $23M in capital revitalization funds received through a 2009 government budget announcement, will be used to support the completion of major revitalization projects at SLPC's key heritage attractions, further enhancing visitor experience.
- Focus on visitor attraction and satisfaction through engaging, enriching, educating and entertaining programming, special events, and facilities.
- Realize measurable improvements in business analysis, risk management, financial performance, human resource management and information technology.
- Support the Ministry of Tourism and Culture's renewal efforts to be a key catalyst for tourism growth and economic development in Eastern Ontario. SLPC's current operations are estimated to have $90M economic impact on the region.

FINANCIAL OBJECTIVES

- Develop a balanced, break-even budget that operates within current government funding levels.
- Improve bottom-line performance and generate meaningful cost savings where prudent.
- Address Operational Review recommendations for improving overall financial performance, focusing on NET revenue generation, new revenue opportunities, improved leases and concessionaire agreements, and fee-based new initiatives.
- Continue to subsidize Fort Henry and Upper Canada Village while strengthening Parks and Golf Course to net revenue-producing entities.
- Capitalize on the Crysler Park Marina's growth potential and recent vitality.

CAPITAL INVESTMENT

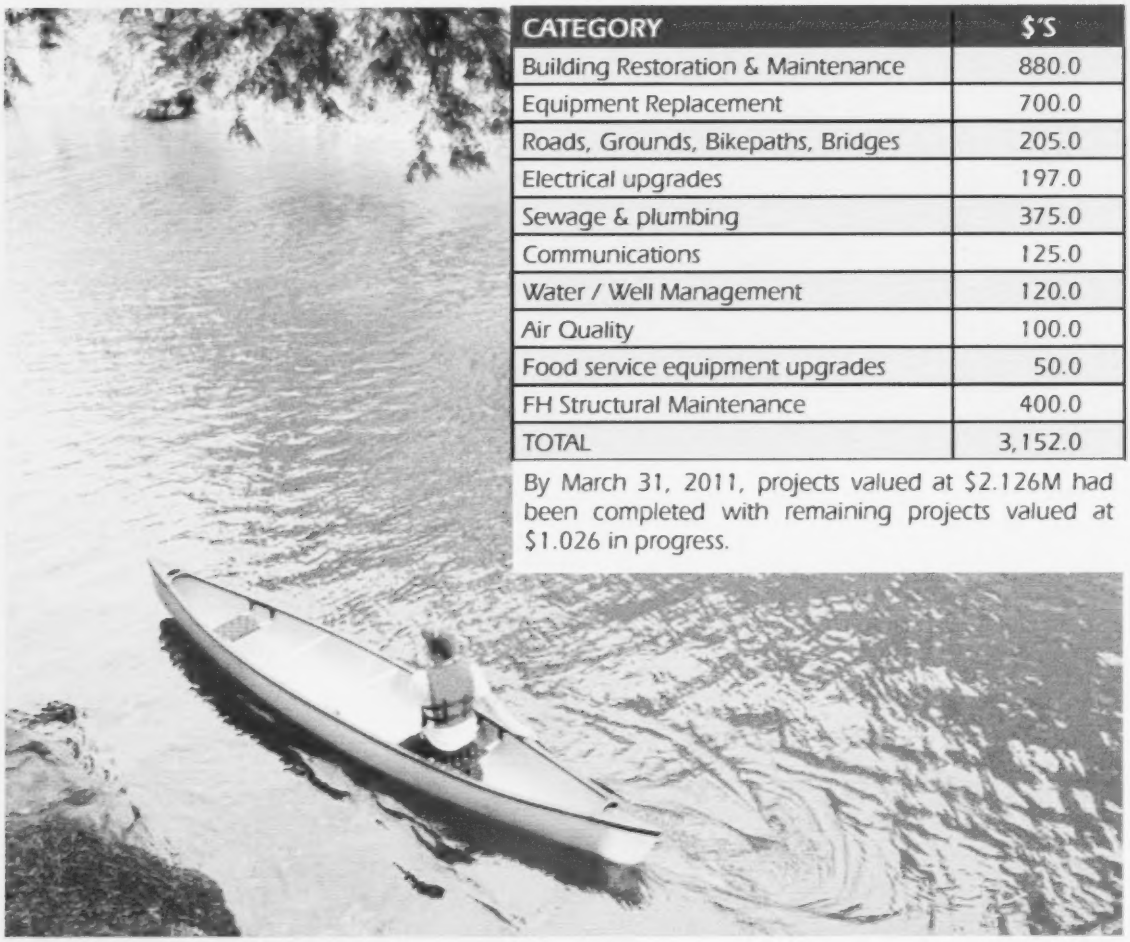
The SLPC received capital funding of S3.152M in 2010/11 to support the repair and rehabilitation of its extensive and diverse infrastructure. $2.4M was directed to projects for compliance with legislation and regulatory requirements and a number of high priority projects vital to ensuring the safety of visitors to our recreational and heritage sites. The completed projects included upgrades and renovations to the Village Store, projects related to water supply and well management, maintenance of water disposal and treatment systems, electrical and HVAC upgrades to meet building code, road maintenance and repair, and initial steps to complete upgrades to the sewage treatment plant at Ivy lea Park. The remaining $750K was directed to the refurbishment of the existing infrastructure including heritage building repairs, Fort Henry structural maintenance and the replacement of maintenance machinery and equipment.

ATTRACTION	Compliance $'S	Rehabilitation $'S	Total $'S
Upper Canada Village	346 .0	600.0	946.0
Fort Henry	296.0	400.0	696.0
Parks and Marina	540.0	00.0	540.0
Upper Canada Golf Course	5.0	73.0	78.0
Crysler Park / System-wide	762.0	130.0	892.0
TOTAL	1,949.0	1,203.0	3,152.0

The chart below provides a summary of the major categories of capital projects undertaken in 2010/11:

CATEGORY	$'S
Building Restoration & Maintenance	880.0
Equipment Replacement	700.0
Roads, Grounds, Bikepaths, Bridges	205.0
Electrical upgrades	197.0
Sewage & plumbing	375.0
Communications	125.0
Water / Well Management	120.0
Air Quality	100.0
Food service equipment upgrades	50.0
FH Structural Maintenance	400.0
TOTAL	3,152.0

By March 31, 2011, projects valued at $2.126M had been completed with remaining projects valued at $1.026 in progress.



Left to right: Robert Gillard- Deputy Mayor Township of South Dundas, Bryan McGillis- Mayor of Township of South Stormont, Pat Macdonald- GM & CEO of SLPC, Guy Lauzon- MP Stormont-Dundas-Glengarry, Jim Brownell MPP Stormont-Dundas-Glengarry, Peter Watson- Chair of SLPC, Ron Eamer- Vice-Chair of SLPC and Jack McIntosh- Commissioner SLPC.

In addition, SLPC received $7.1M in Infrastructure Stimulus Funding to address the long-needed refurbishment of the Long Sault Parkway roadway and bridges. Completion of this project returned the Parkway to a state of good repair for the thousands of visitors that travel it each year.

ATTRACTION ACTIVITY PERFORMANCE

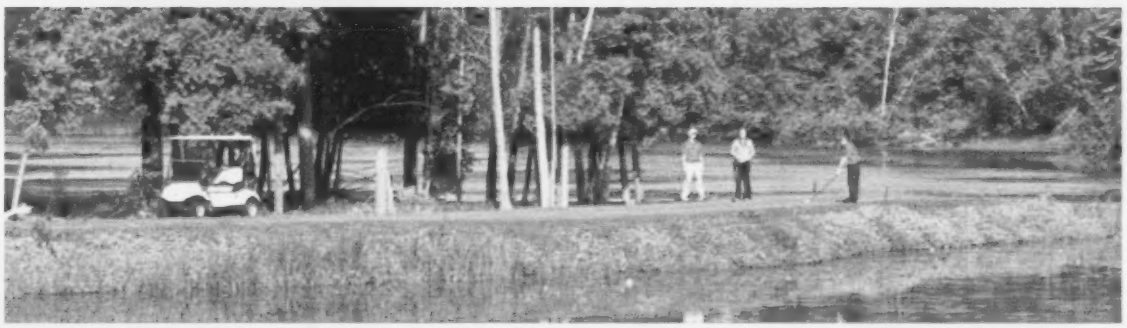
ATTRACTION	2010/11	2009/10	+/-	%
Fort Henry (admissions)	110.1	111.4	-1.3	-1.1%
Upper Canada Village & Heritage Park (admissions)	159.8	168.0	-8.2	-4.9%
Camper nights & day-use passes	120.8	115.7	+5.1	+4.4%
Upper Canada Golf Course (rounds & rentals)	21.8	23.7	-1.9	-8.0%
Crysler Park Marina (docked footage)	692.5	590.8	+107.0	+17.2%

FINANCIAL PERFORMANCE

Operations:

Total revenue from operations of $7.889M in 2010/11 represents an increase of $388K or 5.2% over 2009/10 and SLPC received provincial funding of $7.775M to support its operations. Total operating expenses of $15.655M in 2010/11 realized an increase of $342K or 2.2% over 2009/10.

As a result, the SLPC closed 2010/11 with an operating profit of $16K.



The St. Lawrence Parks Commission

Financial Statements
March 31, 2011

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Raymond Chabot
Grant Thornton

Independent Auditor's Report

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To The St. Lawrence Parks Commission, the Minister of Tourism and Culture and the Auditor General of Ontario

Pursuant to the St. Lawrence Parks Commission Act which provides that The St. Lawrence Parks Commission, an agency of the Crown, shall be audited by the Auditor General of Ontario or an auditor appointed by the Lieutenant Governor in Council, we have audited the accompanying financial statements of The St. Lawrence Parks Commission, which comprise the statement of financial position as at March 31, 2011 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

Note 2 indicates that, in accordance with past provincial policy, the Commission had not capitalized assets before April 1, 1994. Moreover, assets acquired before April 1, 2009 with provincial government funding have not been capitalized. In these respects, the financial statements are not in accordance with Canadian generally accepted accounting principles. The effects of these departures from generally accepted accounting principles on the financial statements have not been determined.

Qualified opinion

In our opinion, except for the effects of the failure to record capital assets and amortization as described the Basis for qualified opinion, the financial statements present fairly, in all material respects, the financial position of The St. Lawrence Parks Commission as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Raymond Chabot Grant Thornton LLP

Chartered Accountants,
Licensed Public Accountants

Ottawa, Canada
July 15, 2011

The St. Lawrence Parks Commission
Financial Position
March 31, 2011
(In thousands of dollars)

	2011	2010
	$	$
ASSETS		
Current assets		
Cash	**4,187**	3,797
Short-term investments (Note 3)	**2,893**	2,875
Accounts receivable	**7,053**	134
Inventories (Note 4)	**358**	427
Prepaid expenses	**54**	63
	14,545	7,296
Capital assets (Note 5)	**16,395**	1,747
Other long-term assets	**58**	321
	30,998	9,364
LIABILITIES		
Current liabilities		
Accounts payable	**3,414**	779
Accrued liabilities	**330**	259
Deferred contributions (Note 6)	**6,813**	2,229
	10,557	3,267
Severance and future employee benefits (Note 7)	**1,025**	1,099
Deferred contributions - capital assets (Note 8)	**15,671**	1,269
	27,253	5,635
NET ASSETS		
Internally restricted (Note 9)	**2,500**	2,864
Unrestricted	**1,245**	865
	3,745	3,729
	30,998	9,364
Commitments (Note 14)		

The accompanying notes are an integral part of these financial statements.

On behalf of the Board,

Director

Director

The St. Lawrence Parks Commission
Operations
Year ended March 31, 2011
(In thousands of dollars)

	2011	2010
	$	$
OPERATING REVENUES		
Entrance fees	**3,344**	3,061
Campsites	**2,080**	1,915
Gross profit from retail operations (Note 10)	**674**	752
Golf course	**622**	660
Concession and site rentals	**313**	315
Sponsorships	**254**	306
Marina docking and storage	**397**	333
Investment income	**59**	70
Miscellaneous	**148**	89
	7,891	7,501
OPERATING EXPENDITURES		
Salaries, wages and benefits (Note 12)	**10,912**	10,726
Services	**2,719**	2,558
Supplies and equipment	**1,628**	1,656
Transportation and communication	**164**	182
Amortization of capital assets	**213**	181
Miscellaneous	**14**	10
	15,650	15,313
Operating deficit before the following:	**(7,759)**	(7,812)
OTHER REVENUES (EXPENDITURES)		
Provincial government funding		
Operational	**7,775**	7,792
Refurbishment	**2,126**	1,711
Revitalization	**15**	55
	9,916	9,558
Refurbishment		
Expenditures	**(1,816)**	(1,597)
Amortization of capital assets	**(310)**	(114)
	(2,126)	(1,711)
Revitalization		
Expenditures	**-**	(48)
Amortization of capital assets	**(15)**	(7)
	(15)	(55)
Provincial government operational funding	**7,775**	7,792
Excess (deficiency) of revenues over expenditures	**16**	(20)

The accompanying notes are an integral part of these financial statements.

The St. Lawrence Parks Commission
Changes in Net Assets

Year ended March 31, 2011
(In thousands of dollars)

	2011			2010
	Internally restricted (Note 9)	Unrestricted	Total	Total
	$	$	$	$
Balance, beginning of year	2,864	865	3,729	3,749
Excess (deficiency) of revenues over expenditures	-	16	16	(20)
Interfund transfers	(364)	364	-	-
Balance, end of year	2,500	1,245	3,745	3,729

The accompanying notes are an integral part of these financial statements.

The St. Lawrence Parks Commission
Cash Flows
Year ended March 31, 2011
(In thousands of dollars)

	2011	2010
	$	$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	**16**	(20)
Non-cash items		
Amortization of capital assets	**538**	181
Amortization of deferred contributions	**(325)**	(121)
Changes in working capital items		
Accrued interest receivable	**(18)**	45
Accounts receivable	**(6,919)**	(14)
Inventories	**69**	(52)
Prepaid expenses	**9**	(10)
Accounts payable	**2,635**	363
Accrued liabilities	**71**	(14)
Deferred contributions	**4,584**	1,768
Cash flows from (used in) operating activities	**660**	2,126
INVESTING ACTIVITIES		
Other long-term assets	**263**	(321)
Acquisition of capital assets	**(15,186)**	(1,405)
Cash flows used in investing activities	**(14,923)**	(1,726)
FINANCING ACTIVITIES		
Change in severance and future employee benefits	**(74)**	10
Deferred contributions - capital assets	**14,727**	1,390
Cash flows from financing activities	**14,653**	1,400
Net increase in cash	**390**	1,800
Cash, beginning of year	**3,797**	1,997
Cash, end of year	**4,187**	3,797

The accompanying notes are an integral part of these financial statements.

The St. Lawrence Parks Commission
Notes to Financial Statements

March 31, 2011
(In thousands of dollars)

1 - GOVERNING STATUTES AND NATURE OF OPERATIONS

The St. Lawrence Parks Commission (the Commission), a Provincial Corporation without share capital and Crown Agency, is subject to and governed by an Ontario Statute, the St. Lawrence Parks Commission Act. The Commission operates several parks, historical sites and other facilities situated on Crown lands in Eastern Ontario, including Upper Canada Village and Fort Henry, intended to provide tourism and recreation opportunities to both residents of, and visitors to, the Province.

The Commission is a corporation established under the laws of Ontario and is exempt from federal and provincial income taxes under paragraph 149(1)(d) of the Income Tax Act (Canada).

2 - ACCOUNTING POLICIES

Basis of presentation

The financial statements are prepared using the historical cost method, except for certain financial instruments that are recognized at fair value. No information on fair value is presented when the carrying amount corresponds to a reasonable approximation of fair value.

Capital management and economic dependence

The Commission's objectives when managing capital are to safeguard its ability to continue as a going concern, to meet its financial obligations, and to manage its capital by obtaining funding from the Province of Ontario, by generating revenues from its various activities, and by controlling expenditures to closely match revenues. In order to maintain or to adjust its capital structure, the Commission may have to modify its forecast expenditures for the realization of certain of its activities. Other than as stipulated by the Province of Ontario and as are disclosed herein in these financial statements, the Commission is not subject to any externally imposed capital requirements.

To satisfy itself as to the viability of operations, management regularly assesses and considers current and forecast activities of the Commission. Ongoing reviews include consideration and determination of current and future business opportunities, Provincial financing commitments, and forecasts of cash requirements. Based on these evaluations, management considers the Commission as a going concern. However, as a significant source of the Commission's income is derived from funding received from the Province of Ontario, its ability to continue viable operations is dependent upon maintaining such funding.

Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Commission may undertake in the future. Actual results may differ from these estimates.

Inventories

Inventories consist primarily of retail items and are valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method.

The St. Lawrence Parks Commission
Notes to Financial Statements
March 31, 2011
(In thousands of dollars)

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2 - ACCOUNTING POLICIES (Continued)

Financial assets and liabilities

The Commission has chosen to apply the recommendations of Section 3861, "Financial Instruments – Disclosure and Presentation", of the CICA Handbook with respect to the presentation and disclosure of financial instruments.

On initial recognition, all financial assets and liabilities are measured and recognized at their fair value. Subsequently, financial assets and liabilities are measured and recognized as follows:

Held-for-trading financial assets

Cash is classified as a held-for-trading financial asset and is measured at fair value.

Available-for-sale financial assets

Short-term investments are classified as available-for-sale financial assets and are measured at their fair value.

Loans and receivables

Accounts receivable are classified as loans and receivables. They are measured at amortized cost, which is generally the initially recognized amount, less any allowance for doubtful accounts.

Other financial liabilities

Accounts payable and accrued liabilities are classified as other financial liabilities. These financial instruments are measured at amortized cost using the effective interest method.

Revenue recognition

The Commission follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are reported as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Retail revenue is recognized when goods have been sold and collection is reasonably assured.

Entrance fees, campsites, golf course, concession and site rentals, marina docking and storage, and sponsorships revenues, are recognized when services have been rendered and collection is reasonably assured.

Investment income is recognized based on the number of days the investment was held during the year and is calculated using the effective interest method.

The St. Lawrence Parks Commission
Notes to Financial Statements
March 31, 2011
(In thousands of dollars)

2 - ACCOUNTING POLICIES (Continued)

Capital assets

Capital assets, including land, acquired before April 1, 1994 are carried at nominal value. Capital assets acquired with Provincial government funds before April 1, 2009 have been expensed rather than capitalized. Capital assets acquired with Provincial government funds after April 1, 2009 have been capitalized at cost.

Capital assets are amortized over their estimated useful lives according to the straight-line method over the following periods:

	Periods
Machinery, equipment, and tools	5 years
Vehicles	5 - 10 years
Computer systems and licenses	3 - 5 years
Office furniture and equipment	3 - 4 years
Structures	5 years
Landhold improvements, infrastructure and buildings	20 years

Capital grants received by the Commission are deferred and amortized at rates that offset amortization recorded on a related capital asset.

Salaries, wages and benefits

These financial statements reflect salaries, wages and benefit costs allocated by the Province of Ontario for those members of the Ontario Public Service (OPS) who are involved with Commission operations.

Severance accrual

OPS regular employees are entitled to one week of severance pay for each year of service, up to a maximum of six months pay, when employment ceases because of death, retirement, layoff after one year of continuous service, or for any reason after five years of continuous service other than dismissal for cause and abandonment of position. Fixed term employees with more than five seasons of continuous service are entitled to such payment only if terminated by the employer. The Commission has accrued the obligation owing to regular employees. Any potential obligation for fixed term employees is recorded only upon termination.

Workplace Safety and Insurance Board

The Province provides benefits to OPS employees on workers' compensation through the Workplace Safety and Insurance Board (WSIB). Adjustments to the estimated WSIB obligation, if any, are recognized in the year in which supportive computations are made available to the Commission by the WSIB.

The St. Lawrence Parks Commission
Notes to Financial Statements
March 31, 2011
(In thousands of dollars)

2 - ACCOUNTING POLICIES (Continued)

Pension Plan

The Province provides pension benefits to its full-time OPS employees through participation in the Public Service Pension Plan (PSP Plan) and the Ontario Public Service Employees' Union Pension Trust (OPSEU Pension Trust). These plans are multiemployer defined benefit pension plans. As the Commission has insufficient information to apply defined benefit plan accounting, the plans have been accounted for as defined contribution pension plans, and the Commission's annual contributions are expensed. According to the Public Service Pension Act any deficiencies of the pension fund are to be paid out of the Consolidated Revenue Fund of the Province of Ontario, and as such no attempt has been made to calculate any amount owing regarding the unfunded liability (if any) with respect to these pension plans.

3 - SHORT-TERM INVESTMENTS

Short-term investments consist of Guaranteed Investment Certificates expiring in September, 2011, bearing interest at rates ranging from 1.00% to 1.85% (2010 - 0.65% to 1.30%).

4 - INVENTORIES

The total carrying amount of inventories carried at cost is $358 (2010 - $427). No inventories are carried at net realizable value or at fair value less selling costs. During the year $837 (2010 - $784) of inventory was recognized as an expense.

5 - CAPITAL ASSETS

			2011
	Cost	Accumulated amortization	Net
	$	$	$
Machinery, equipment and tools	448	242	206
Vehicles	1,302	681	621
Computer systems and licenses	392	252	140
Office furniture and equipment	777	417	360
Structures	717	276	441
Landhold improvements, infrastructure and buildings	363	9	354
Construction in progress	14,273		14,273
	18,272	1,877	16,395

The St. Lawrence Parks Commission
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5 - CAPITAL ASSETS (Continued)

			2010
	Cost	Accumulated amortization	Net
	$	$	$
Machinery, equipment and tools	296	192	104
Vehicles	944	517	427
Computer systems and licenses	388	201	187
Office furniture and equipment	698	258	440
Structures	430	171	259
Construction in progress	330		330
	3,086	1,339	1,747

6 - DEFERRED CONTRIBUTIONS

	2011	2010
	$	$
Prepaid admissions and camping	**695**	613
Ministry of Tourism and Culture - funding for refurbishment		
Balance, beginning of year	**899**	150
Contributions	**4,172**	3,362
Expenditures	**(2,599)**	(2,613)
Balance, end of year	**2,472**	899
Ministry of Tourism and Culture - funding for Fort Henry refurbishment		
Balance, beginning of year	**29**	30
Expenditures	**-**	(1)
Balance, end of year	**29**	29
Ministry of Tourism and Culture - funding for revitalization		
Balance, beginning of year	**679**	-
Contributions	**10,700**	1,100
Expenditures	**(9,552)**	(421)
Balance, end of year	**1,827**	679
Ministry of Tourism and Culture - 50th Anniversary Celebration		
Contributions	**305**	-
Balance, end of year	**305**	-
Infractructure Stimulus Funding - Long Sault Parkway		
Contributions	**4,449**	-
Expenditures	**(4,391)**	-
Balance, end of year	**58**	-

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6 - DEFERRED CONTRIBUTIONS (Continued)

Ministry of Canadian Heritage		
Contributions	**1,421**	-
Balance, end of year	**1,421**	-
Other deferred contributions	**6**	9
	6,813	2,229

In the prior year, with an objective of improving the quality of attractions, the Province of Ontario announced a commitment of $23,000 to the Commission, to be used for various site revitalization and construction projects. Funds received to date have been accounted for under the "revitalization" caption in these financial statements. As construction progresses, the Commission anticipates receipt over the next year, of a further $11,200 in contributions.

7 - SEVERANCE AND FUTURE EMPLOYEE BENEFITS

	2011	2010
	$	$
Severance accrual	**833**	907
WSIB benefit accrual	**192**	192
	1,025	1,099

8 - DEFERRED CONTRIBUTIONS - CAPITAL ASSETS

	2011	2010
	$	$
Ministry of Tourism and Culture - funding for refurbishment		
Balance, beginning of year	**903**	-
Capital additions	**783**	1,017
Amortization of capital assets	**(310)**	(114)
Balance, end of year	**1,376**	903
Ministry of Tourism and Culture - funding for revitalization		
Balance, beginning of year	**366**	-
Capital additions	**9,552**	373
Amortization of capital assets	**(15)**	(7)
Balance, end of year	**9,903**	366
Ministry of Tourism and Culture - infrastructure stimulus funding		
Capital additions	**4,392**	-
Balance, end of year	**4,392**	-
	15,671	1,269

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9 - INTERNALLY RESTRICTED NET ASSETS

A portion of net assets has been internally restricted by the Board of Commissioners to fund future capital expenditures. In the current year, the Board of Commissioners approved expenditures from these restricted net assets of $364.

10 - GROSS PROFIT FROM RETAIL OPERATIONS

Retail gross profit is comprised of:

	2011	2010
	$	$
Sales from retail operations	**1,511**	1,536
Cost of goods sold	**837**	784
Gross profit from retail operations	**674**	752

11 - TRANSACTIONS WITH THE PROVINCE OF ONTARIO

In the normal course of operations, the costs of post-retirement non-pension employee benefits have been paid by the Management Board Secretariat of the Province of Ontario and are not included in the statement of operations of the Commission. Further transactions with the Province of Ontario are as shown below, and are measured at their exchange amount as established and accepted by the parties.

Included in accounts receivable is $58 (2010 - $Nil) due from the Ministry of Finance regarding payroll expenses. Included in accounts payable is $229 (2010 - $203) due to the Ministry of Finance in connection with payroll expenses.

During the year, the Commission paid a total of $10,881 (2010 - $10,545) in payroll expenses to the Ministry of Finance which is included in "Salaries, wages, and benefits".

Included in "Services" expenditures is $24 (2010 - $48) paid to the Ministry of Finance for various services including advertising and pay stub printing, and $4 (2010 - $3) paid to the Ontario Provincial Police for security services.

During the year, the Commission paid the Ministry of Transportation $221 (2010 - $207) for the maintenance of the 1000 Islands Parkway which is included in "Supplies and equipment" expenditures, and paid $28 (2010 - $30) to the Ministry of Finance for general liability insurance and provincial licenses.

Included in "Construction in progress" is $8,625 (2010 - $44) paid to the Ontario Realty Corporation for project management services.

During the year, the Commission recognized funding totaling $9,916 (2010 - $9,558) from the Ministry of Tourism and Culture, which is included in "Provincial government funding".

12 - PENSION PLAN

The Commission's contribution to the PSP Plan and the OPSEU Pension Trust for the year ended March 31, 2011 was $486 (2010 - $403) and is included in salaries, wages and benefits.

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13 - REMUNERATION OF MEMBERS

Total remuneration of members of the Commission was $27.1 (2010 - $37.6).

14 - COMMITMENTS

a) The Commission has entered into long-term lease agreements expiring on various dates between 2012 and 2015 which require lease payments of $292. The minimum lease payments for the next four years are $129 in 2012, $91 in 2013, $59 in 2014, and $13 in 2015.

b) The Commission entered into a long-term maintenance contract with the Ministry of Transportation in 1983. An annual payment is made for the maintenance of the 1000 Islands Parkway of $150, adjusted for inflation, until written notification of termination is made by the Commission, which requires a minimum of eight months to come into effect. There is a commitment of $226 for the forthcoming financial year.

c) The Commission has entered into a long-term agreement with Parks Canada to provide funding for Conservation Program Maintenance Projects to be expended during the period from 2011 to 2017. The agreement requires total funding of $2,800 with payments of $400 per year beginning in 2011 and each year thereafter.

15 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Commission is exposed to, and manages, various financial risks resulting from both its operations and its investments activities, and does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Main financial risk exposure is as follows:

Credit risk

The financial instruments that potentially expose the Commission to credit risk are primarily trade accounts receivable. Credit risk relating to these is generally diversified since the Commission negotiates with a large number of establishments.

Interest rate risk

The majority of the Commission's short-term investments are at fixed rates and the Commission is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. As they are non-interest bearing, the other financial assets and liabilities of the Commission do not comprise an interest rate risk.

Concentration risk

All of the Commission's cash and short-term investments are held at the same financial institution.

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16 - FUTURE ACCOUNTING STANDARD

The Public Sector Accounting Board ("PSAB") has issued new accounting standards for government organizations. The Commission is considering being classified as a Government Not-for-Profit Organization ("GNFPO") as it meets all the related criteria. PSAB allows GNFPO's to choose between the standards of the Public Sector Accounting ("PSA") Handbook or the PSA Handbook supplemented by the inclusion of the not-for-profit standards from the Canadian Institute of Chartered Accountants Handbook, known as the 4200 series. These standards will be effective for fiscal years commencing on or after January 1, 2012. The Commission is considering selecting PSA standards plus the 4200 series of the PSA Handbook and will first report under these standards in its financial statements for the year ended March 31, 2013. The Commission is currently in the process of evaluating the potential impact of adopting these new standards.